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## **A Needed Precursor to FTAA**

By Jorge Arrizurieta

The U.S.-Dominican Republic-Central America Free Trade Agreement was negotiated among the United States, the Dominican Republic, Guatemala, El Salvador, Costa Rica, Honduras and Nicaragua, and was signed by all participating nations last summer. The agreement seeks to boost export numbers, productivity, employment and trade figures among the member nations by liberalizing their market economies.

After the success of NAFTA, DR-CAFTA represents a stepping-stone for the creation of the Free Trade Area of the Americas, an agreement that seeks to liberalize trade among the 34 democracies in the Western Hemisphere.

The market liberalization of the public services and the agricultural and manufacturing industries is expected to result in more foreign direct investment in the Dominican Republic and Central American countries. Foreign investment will also be spurred by new regulations that grant foreign companies the same rights as domestic ones and more transparent channels for arbitration and dispute settlement.

At the same time, these nations' exports will be granted greater access the American market; a market of 280 million people with a higher purchasing power than any single country's domestic market. Steady long-term growth and stable economies would also give these countries more resources to fight poverty, illiteracy and hunger.

DR-CAFTA will give U.S. producers and exporters access to a growing market of nearly 45 million consumers, on top of the 387 million consumers already in the NAFTA zone.

It will provide substantial new trade-related economic opportunities for Florida businesses, workers and citizens. Already, the Central American countries and the Dominican Republic together form Florida's largest trading bloc in the world, accounting for nearly twice as much total trade than with Florida's largest trading partner, Brazil. DR-CAFTA will impact our state tremendously, as about 55 percent of trade between Central America and the United States and 45 percent of U.S.-Caribbean trade now moves through Florida's airports and seaports.

Agreements such as DR-CAFTA also can help strengthen the institutional foundations of freedom and democracy. As "a rising tide lifts all boats," the increased trade and investment revenues, coupled with strong capacity-building initiatives, can contribute to an overall rise in living standards. The DR-CAFTA includes the strongest protection of workers' rights of any U.S. bilateral or multilateral trade pact.

When all 34 democracies in the Americas sign the Free Trade Area of the Americas agreement, the largest free trading area in the world will become a reality. With a population of 800 million and a gross national product of more than \$14 trillion, the FTAA represents a unique opportunity for all the countries in the Americas to capitalize on the benefits of free trade on equal terms.

However, the FTAA will only be possible if the United States Congress ratifies the DR-CAFTA. The DR-CAFTA agreement is the required precursor to the success of continued free trade.

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